

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
RECORD REQUESTS FROM THE D. T. E.  
D.T.E. 03-36

Date: September 22, 2003

Witness Responsible: Stephen H. Bryant

DTE-RR-9: With respect to DTE 1-19, please calculate (using a simple arithmetic average) the seven-year average on Line 16, the average ROE from 1999 through 2001.

RESPONSE: The Company assumes that the referenced line is line 26 of DTE 1-19, rather than line 16 as reflected in the transcript. The average annual ROE for the period 1999 through 2001 is as follows:

YEAR	ALLOWED ROE	EARNED ROE
1995	11.4%	9.94%
1996	11.4%	9.72%
1997	11.4%	6.08%
1998	11.4%	-0.76%
1999	11.4%	8.65%
2000	11.4%	10.36%
2001	<u>11.4%</u>	<u>9.55%</u>
Total		53.54%
Average	11.4%	<b>7.65%</b>